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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

FRANK THEATRES BAYONNE/SOUTH
COVE, LLC, *et al.*,^{1,2}

Debtors.

Chapter 11

Case No. 18-34808 (SLM)

Jointly Administered

**STIPULATION AND CONSENT ORDER DISALLOWING PROOF OF CLAIM NO. 80,
AND SETTING ALLOWED AMOUNT OF CLAIM NOS. 78, 110 AND 222
FILED BY THE STATE OF FLORIDA – DEPARTMENT OF REVENUE**

This Stipulation and Consent Order (the “Stipulated Order”) is entered into by and between Moss Adams LLP (the “Administrative and Priority Claims Agent”) and the State of Florida – Department of Revenue (the “DOR,” and together with the Administrative and Priority Claims Agent, the “Parties”).

¹ Prior to the Effective Date (as defined herein) of the Modified Plan (as defined herein), the above captioned debtors (collectively, the Debtors) in these Chapter 11 cases (the “Chapter 11 Cases”) and the last four digits of each Debtor’s taxpayer identification number were as follows: Frank Theatres Bayonne/South Cove, LLC (3162); Frank Entertainment Group, LLC (3966); Frank Management LLC (0186); Frank Theatres, LLC (5542); Frank All Star Theatres, LLC (0420); Frank Theatres Blacksburg LLC (2964); Frank Theatres Delray, LLC (7655); Frank Theatres Kingsport LLC (5083); Frank Theatres Montgomeryville, LLC (0692); Frank Theatres Parkside Town Commons LLC (9724); Frank Theatres Rio, LLC (1591); Frank Theatres Towne, LLC (1528); Frank Theatres York, LLC (7779); Frank Theatres Mt. Airy, LLC (7429); Frank Theatres Southern Pines, LLC (2508); Frank Theatres Sanford, LLC (7475); Frank Theatres Shallotte, LLC (7548); Revolutions at City Place LLC (6048); Revolutions of Saucon Valley LLC (1135); Frank Entertainment Rock Hill LLC (0753); Frank Entertainment PSL, LLC (7033); Frank Hospitality Saucon Valley LLC (8570); Frank Hospitality York LLC (6617); and Galleria Cinema, LLC (2529).

² Upon the Effective Date of the Modified Plan (as defined herein), the presently operating Reorganized Debtors are as follows: Frank Entertainment Group, LLC; Frank Management, LLC; Frank Theatres York, LLC; Frank Hospitality York, LLC; Frank Theatres Delray, LLC; Frank Theatres Parkside Town Commons, LLC; Frank Blacksburg, LLC; Frank Theatres Southern Pines, LLC; Frank Theatres, LLC; and Frank Management, LLC.

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Caption: Stipulation and Consent Order Disallowing Proof of Claim No. 80 and Setting Allowed Amount of Claim Nos. 78, 110 and 222 Filed by the State of Florida – Department of Revenue

RECITALS:

WHEREAS, on December 19, 2018, each of the Debtors filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of New Jersey (the “Court”), Case No. 18-34808 (SLM);³

WHEREAS, on February 14, 2019, the Court entered the *Order (A) Establishing Deadlines to File Proofs of Claim Against the Debtors, Including But Not Limited to Claims Arising Under Section 503(b)(9) of the Bankruptcy Code, (B) Approving the Form and Manner of Notice of the Bar Dates, (C) Authorizing Publication of the Bar Dates, and (D) Granting Related Relief* (the “Bar Date Order”) [Doc. No. 253], which established June 17, 2019, at 5:00 p.m. (ET) as the deadline for all governmental units (as defined in section 101(27) of the Bankruptcy Code) to file proofs of claim (a “Claim”) in the above-captioned Chapter 11 Cases (the “Governmental Bar Date”);

WHEREAS, on October 23, 2019, the Debtors filed an application seeking entry of a consent order confirming the *Modified First Amended Plan of Reorganization of Frank Theatres Bayonne/South Cove, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* (the “Modified Plan”) [Doc. No. 772];

WHEREAS, on October 29, 2019, the Court entered a *Consent Order Confirming the Debtors’ Modified First Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Doc No. 783];

WHEREAS, on February 12, 2019, the DOR filed Claim No. 78 against Galleria Cinema LLC (“Galleria”), asserting a priority tax claim in the amount of \$34,273.84 and a general unsecured claim in the amount of \$3,382.25;

WHEREAS, on February 12, 2019, the DOR filed Claim No. 80 against Revolutions at City Place, LLC (“Revolutions”), asserting a priority tax claim in the amount of \$10,629.92 and a general unsecured claim in the amount of \$1,056.05;

WHEREAS, on March 1, 2019, the DOR filed Claim No. 110 against Frank Theatres Delray, LLC (“FT Delray”), asserting a priority tax claim in the amount of \$109,370.83 and a general unsecured claim in the amount of \$6,669.32;

WHEREAS, on March 13, 2019, the DOR filed Claim No. 222 against Revolutions, asserting a priority tax claim in the amount of \$20,796.62 and a general unsecured claim in the amount of \$1,056.05. Claim No. 222 superseded Claim No. 80;

³ Unless otherwise defined, all capitalized terms shall have the meaning ascribed to them in the Modified Plan (defined herein).

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WHEREAS, upon review by the Administrative and Priority Claims Agent of the Debtors' books and records, and after settlement negotiations between the Parties, on July ___, 2020, three separate Closing Agreements (the "Closing Agreements") were executed, pursuant to which the Parties agreed that (a) Claim No. 78 should be amended and reduced to \$18,050.00 and allowed in such amount as a priority tax claim, (b) Claim No. 80 should be disallowed and expunged in its entirety, (c) Claim No. 110 should be reduced to \$69,825.00 and allowed in such amount as a priority tax claim, and (d) Claim No. 222 should be reduced to \$7,125.00 and allowed in such amount as a priority tax claim. Copies of the Closing Agreements are attached to this Stipulated Order as **Exhibit A**.

NOW, THEREFORE, after good-faith, arms-length negotiations, in consideration of the foregoing, it is hereby stipulated and agreed that:

1. Claim No. 78 shall be reduced and deemed allowed as a Priority Tax Claim against the estate of Galleria in the amount of \$18,050.00.
2. Claim No. 80 shall be disallowed and expunged in its entirety.
3. Claim No. 110 shall be reduced and deemed allowed as a Priority Tax Claim against the estate of FT Delray in the amount of \$69,825.00.
4. Claim No. 222 shall be reduced and deemed allowed as a Priority Tax Claim against the estate of Revolutions in the amount of \$7,125.00.
5. Claim Nos. 78, 110, and 222 (collectively, the "Allowed Claims") shall be paid within fifteen (15) days of the Court's entry of this Stipulated Order.
6. The DOR agrees that it will not file or assert any additional claims (as this term is defined in Bankruptcy Code § 105(5)) against any of the Debtors in these Chapter 11 Cases. Excluding the Allowed Claims, any other claim (as this term is defined in Bankruptcy Code § 105(5)) filed or asserted by the DOR, including Claim No. 80, against any of the Debtors in these Chapter 11 Cases is hereby expunged.
7. The Debtors, their claims and noticing agent, Prime Clerk LLC, the Administrative and Priority Claims Agent, and the Clerk of this Court are each authorized to take any and all actions that are necessary or appropriate to give effect to this Stipulated Order, including expunging Claim No. 80 and reducing the amount of Claim Nos. 78, 110, and 222 as set forth in paragraphs 1, 3, and 4 of this Stipulated Order.
8. The terms set forth in this Stipulated Order are the entire agreement between the Parties and may only be modified in a writing signed by the Parties. In the event of a conflict between the terms of the Stipulated Order and the Closing Agreements, the Stipulated Order shall govern.

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9. THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THE SETTLEMENT SET FORTH IN THIS STIPULATED ORDER.
10. Each of the Parties hereto consents to the jurisdiction of the Court to adjudicate any and all disputes arising under or relating to this Stipulated Order.
11. The terms of this Stipulated Order shall be governed by, and construed and interpreted with, the laws of the State of Florida without regard to any conflict of law provisions.
12. This Stipulated Order shall be binding upon the Parties hereto and any of their successors, representatives, and/or assigns.
13. This Stipulated Order may be executed in counterparts and all executed counterparts taken together shall constitute one document.
14. This Stipulated Order has been drafted through a joint effort of the Parties and, therefore, shall not be construed in favor of or against any of the Parties. The terms of this Stipulated Order shall be deemed to have been jointly negotiated and drafted by the Parties.
15. Notwithstanding any applicability of any of the Federal Rules of Bankruptcy Procedure, the terms and conditions of this Stipulated Order shall be immediately effective and enforceable upon its entry.
16. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Stipulated Order.

[Remainder of this page left intentionally blank]

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Dated: July ___, 2020


STIPULATED AND AGREED:

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**STATE OF FLORIDA
DEPARTMENT OF REVENUE**

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So Ordered this ___ day of July 2020

Hon. Stacey L. Meisel, U.S.B.J.